

## **TABLE OF CONTENTS**

### Chapter 1

R645-301-100

#### Legal, Financial, Compliance and Related Information

110.	<b>INTRODUCTION</b>	1-1
112.	<b>IDENTIFICATION OF INTEREST</b>	1-1
112.100	Business Entity	1-1
112.200	Permit Applicant and Permittee	1-1
112.210	Operator	1-1
112.220	Resident Agent	1-1
112.230	Abandoned Mine and Reclamation Fee	1-2
112.300	Ownership and Control	1-2
112.310	Members and Managers	1-2
112.320	Relationship to applicant	1-2
112.330	Title and Date of Position	1-2
112.340	Ownership or Control of Other Coal Mining Operations	1-3
112.350	Application Number – Other Pending Coal Mining Operations	1-3
112.400	Coal Mining and Reclamation Operations or Control	1-3
112.410	Coal Mining Operations Owned or Controlled	1-3
112.420	Ownership and Control Relationship of Members	1-3
112.500	Legal of Equitable Owners of the Surface and Minerals	1-3
112.600	Owners of Record of Property Contiguous Permit Area	1-5
112.700	MSHA Numbers	1-5
112.800	Interest in Contiguous Lands	1-5
112.900	Certification of Submitted Information	1-5
113	<b>VIOLATION INFORMATION</b>	1-5
114	<b>RIGHT OF ENTRY INFORMATION</b>	1-6
115	<b>STATUS OF UNSUITABILITY CLAIMS</b>	1-6

116	<b>PERMIT TERM</b>	1-7
117	<b>INSURANCE, PROOF OF PUBLICATION</b>	1-7
118	<b>PERMIT FILING FEE</b>	1-7
120	<b>PERMIT APPLICATION FORMAT AND CONTENTS</b>	1-7
130	<b>REPORTING OF TECHNICAL DATA</b>	1-8
140	<b>DRAWINGS AND PLANS</b>	1-9
150	<b>COMPLETENESS</b>	1-9

## **APPENDICES**

1-1	Company Members and Ownership (Located in Volume 7, Confidential)
1-2	Right of Entry Lease Documents (Located in Volume 7, Confidential)
1-3	Exhibit 1: Petition to Designate Certain Federal Lands Exhibit 2: Lands as Unsuitable for Surface Coal Mining Operations Exhibit 3: The Secretarial Decision
1-4	Certificate of Liability Insurance
1-5	Proof of Publication
1-6	Notarized Statement Attesting to Accuracy

## **DRAWINGS**

1-1	Project Area
1-2	Project Area with LBA
1-3	Surface Ownership
1-4	Coal Ownership

## CHAPTER 1

### R645-301-100. GENERAL CONTENTS

#### 110 LEGAL, FINANCIAL, COMPLIANCE, and RELATED INFORMATION

#### 110 INTRODUCTION

Alton Coal Development, LLC is submitting a Mining and Reclamation Plan for the Coal Hollow Project to the Utah Division of Oil, Gas and Mining pursuant to rules governing coal mine permitting at R645-301-100 et seq. Permit Area Base Drawing – Drawing 1-1.

#### 112 IDENTIFICATION OF INTERESTS

##### 112.100 Business Entity

Applicant, Alton Coal, LLC, is a limited liability company duly organized and validly existing under the laws of the State of Nevada, and authorized to conduct business under the laws of the State of Utah.

##### 112.200 Permit Applicant and Permittee:

Alton Coal Development, LLC  
463 N. 100 W, Suite 1  
Cedar City, UT 84720  
Telephone (435) 867- 5331  
Employer I. D. #42-1655092  
Social Security numbers of Alton Coal Development, LLC's  
members and manager provided in "CONFIDENTIAL BINDER"

##### 112.210 Operator:

Alton Coal Development, LLC  
463 N. 100 W, Suite 1  
Cedar City, UT 84720  
Telephone (435) 867- 5331  
Employer I. D. #42-1655092

##### 112.220 Resident Agent:

Corporation Trust Company of Nevada  
6100 Neil Road  
STE 500  
Reno, NV 89511

##### For Utah:

Chris R. McCourt  
463 N. 100 W., Suite 1  
Cedar City, Utah 84720  
(435) 867-5331

112.230 Abandoned Mine and Reclamation Fee

Alton Coal Development, LLC, is the sole party in interest and will pay the abandoned mine land reclamation fee.

112.300 Ownership and Control

Alton Coal Development, LLC, is the sole party in interest, owning and controlling this application.

112.310 Members and Managers of Alton Coal Development, LLC

Social Security numbers of Alton Coal Development, LLC's members and manager provided in "CONFIDENTIAL BINDER" Appendix 1-1

Manager -	CHRIS R. MCCOURT 1461 N. 3775 W. Cedar City, UT 845720
Member	STONIE BARKER, JR. 714 Bob White Lane Naples, FL 34108
Member	BEVERLY HOLWERDA 960 Cape Marco Drive Marco Island, FL 34145
Member	ROBERT C. NEAD, JR. 6602 Ilex Circle Naples, FL 34109
Member	JAMES J. WAYLAND 2841 Capistrano Way Naples, FL 34105

All members and managers use the employer identification number of Alton Coal Development, LLC No. 42-1655092

112.320 Relationship to the Applicant

Each of the above-listed managers and members owns and controls more than 10% of Alton Coal Development, LLC. The following is a listing of company ownership as defined by R645-100-200 "Owned or Controlled":

Stonie Barker, Jr.:	10% Ownership
Beverly Holwerda:	30% Ownership
Robert C. Nead, Jr.:	11% Ownership
James J. Wayland:	40% Ownership

112.330 Title and Date of Position

The manager listed in 112.310 was appointed July 17, 2007. The members listed in 112.310 were appointed as of September 9, 2004.

112.340. Ownership or control of Other Coal Mining and Reclamation Operations

Neither Alton Coal Development, LLC nor its manager or members owns and has not in the previous five years owned another coal mining and reclamation operation.

112.350 Application Number – Other Pending Coal Mining and Reclamation Operations

Neither Alton Coal Development, LLC nor its manager or members owns any pending coal mine permits.

112.400 Coal Mining and Reclamation Operations Owned or Controlled

Neither Alton Coal Development, LLC nor its manager or members owns or controls any other coal mining and reclamation operations.

112.410 Coal Mining and Reclamation Operations Owned or Controlled by Managers or Members of Alton Coal Development, LLC

Neither Alton Coal Development, LLC nor its manager or members owns or control any other coal mining and reclamation operations.

112.420 Ownership and Control Relationship of Managers and Members of Alton Coal Development, LLC

Each of the managers and members listed at § 112.320 own or control more than 10% of Alton Coal Development, LLC

112.500 Legal or Equitable Owner of the Surface and Mineral Properties

The legal and equitable owners of the surface and mineral properties to be affected by this mining operation during the duration of the permit period are shown below. Surface and coal ownership are shown on Drawings 1- 3 and 1-4.

SURFACE OWNERSHIP:

*Owner/Lessor:*

C. Burton Pugh  
533 N 650 E  
Lindon, Utah 84042-1567  
801-785-6220

*Lessee:*

Alton Coal Development, LLC

COAL OWNERSHIP:

*Owner/Lessor:*

C. Burton Pugh  
533 N 650 E  
Lindon, Utah 84042-1567  
801-785-6220

Roger M. Pugh, Attorney in  
Fact & Power of Attorney for  
Verna H. Pugh

116 South 100 West  
Kanab, UT 84741

Margaret Moyers  
Kanab, Utah

*Lessee:*

Alton Coal Development, LLC

SURFACE OWNERSHIP:

*Owner/Lessor:*

Alecia Swapp Dame Trust  
Through Richard, Trustee  
1620 Georgia Ave.  
Boulder City, NV 89  
702-293-4773

*Lessee:*

Alton Coal Development, LLC

COAL OWNERSHIP:

*Owner/Lessor:*

Alecia Swapp Dame Trust  
Through Richard, Trustee  
1620 Georgia Ave.  
Boulder City, NV 89  
702-293-4773

*Lessee:*

Alton Coal Development, LLC

#### 112.600 Owners of Record of Property Contiguous to Proposed Permit Area

Owners of surface properties contiguous to the proposed permit area are shown on Drawing 1-3 and the name and address of each such owner is as follows:

Department of the Interior, Bureau of Land Management  
District and Regional Office  
Salt Lake City, Utah

Darlynn and Arlene Sorensen  
Orderville, Utah  
435-648-2462

#### 112.700 MSHA Numbers

Applications for MSHA identification numbers for the Coal Hollow Mine are pending.

#### 112.800 Interest in Contiguous Lands

The applicant has interest in lands contiguous to the permit area. A Lease by Application (LBA) is currently being processed by the United States Department of the Interior, Bureau of Land Management, Salt Lake City, Utah.

Alton Coal Development, LLC, the sole party in interest, submitted the LBA application in September, 2004. The LBA is contiguous to the permit area and contains approximately 2,746 acres. See Drawing 1-2 for LBA delineation.

#### 112.900 Certification of Submitted Information

After Alton Coal Development, LLC is notified that the application is approved, but before the permit is issued, Alton Coal will update, correct or indicate that no change has occurred in the information submitted under R645-301-112.100 through .800.

### **113 VIOLATION INFORMATION**

Neither the applicant, affiliates, members or managers or persons controlled by or under common control with the applicant has: (i) had a federal or state mining permit suspended or revoked in the last five years; (ii) nor forfeited a mining bond or similar security deposited in lieu of a bond; (iii) nor received a violation during the last three year period.

## 114 RIGHT OF ENTRY INFORMATION

Applicant bases its right to enter and begin coal mining activities in the permit area and the consent of the surface owner to extract coal by surface mining methods upon the following documents:

*Lessor:*

*Lessee:*

C. Burton Pugh

Alton Coal Development, LLC

Surface and Mineral Lease, dated 9/10/04.

*Lessor:*

*Lessee:*

Alecia Swapp Dame Trust

Alton Coal Development, LLC

Surface and Mineral Lease, dated 4/29/05.

Copies of the lease assignments are included in Appendix 1-2 located in the Volume 7, Confidential binder.

## 115 STATUS OF UNSUITABILITY CLAIMS

The permit area is not within an area or under study as an area designated as unsuitable for mining under R645-103-400, nor has any petitions been filed with the UDOGM under R645-103-420 that could affect the proposed permit area. The Coal Hollow Project is located on private lands adjacent to federal lands, which after careful consideration were declared suitable for mining in 1980 by then Secretary of Interior Andrus. Secretary's Decision, Petition to Designate Certain Federal Lands In Southern Utah Unsuitable for Surface Coal Mining, OSM Ref No. 79-5-001, dated December 16, 1980, copy attached at Appendix 1-3.

This petition was filed under the provisions of section 522(c) of the federal Surface Mining Control and Reclamation Act ("SMCRA"). OSM Notice, Receipt of a Complete Petition for Designation of Lands as Unsuitable for Surface Coal Mining Operations, 45 fed. Reg. 3398, Jan. 17, 1980, attached at Appendix 1-3.

Those federal lands in the Petition area found suitable for mining include lands adjacent to the private lands which the Project has included in a federal lease by application and located in Kane County, Utah within Township 39 South, Ranges 5 and 6 West, SLM. Secretarial Decision at Paragraph 4. The Secretarial Decision was based on an extensive Administrative Record, including the Petition filed under Section 533 of SMCRA, 30 U.S.C. Section 1272, public hearings, a combined petition evaluation document and environmental impact statement published in two volumes on November 26, 1980 as, "Southern Utah Petition Evaluation Document" and the "Southern Utah Petition Evaluation Document - Comments and Responses." The Secretarial Decision was further supported by a 52 page Statement of Reasons, dated January 13, 1981, attached at Appendix 1-3.



The Secretarial Decision was upheld by the federal court in *Utah International, Inc. v. Watt*, 553 F. Supp. 872 (D. Utah 1982).

## **116 PERMIT TERM**

116.100 There are 3 mining phases associated with this permit term. The first phase of mining is anticipated to start July 1, 2008. Each mining phase has a 1 year term. Phase 3 is anticipated to conclude in year 2011.

### **Acres of disturbance per Mining Phase**

Phase 1 286 acres

Phase 2 109 acres

Phase 3 38 acres

116.200 Permit Term

The Coal Hollow Mine Project is proposed for a 5-year term under the Permanent Regulatory Program for 5 years

## **117 INSURANCE, PROOF OF PUBLICATION**

Proof of publication pursuant to R645-303-322 will be included in Appendix 1-5.

117.100 Certificate of Liability Insurance

A copy of the Certificate of Insurance is found in Appendix 1-4.

## **118 PERMIT FILING FEE**

A copy of this permit is on file with the Utah Division of Oil, Gas and Mining (UDOGM), P.O. Box 145801, Salt lake City, Utah 84114-5801. A filing fee of \$5.00 accompanied permit submittal.

## **120 PERMIT APPLICATION FORMAT AND CONTENTS**

This permit application contains information and will comply with R645-301-120. A notarized statement attesting to the accuracy of this information is set forth at Appendix 1-6.

## 130 REPORTING OF TECHNICAL DATA

All technical data submitted in the permit application will be accompanied by the name or organization responsible for the collection and analysis of data, dates of collection and descriptions of methodology used. Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed.

The following assisted or were consulted in the preparation of this permit application:

State of Utah, Department of Natural Resources  
Division of Oil, Gas and Mining  
Salt Lake City, Utah

Department of the Interior, Bureau of Land Management  
District and Regional Office  
Kanab and Salt Lake City, Utah

United States Geological Survey, Utah Region  
Salt Lake City, Utah

United States Department of Agriculture  
Natural Resources Conservation Service  
Salt Lake City, Richfield and Cedar City, Utah

State of Utah, Department of Natural Resources  
Division of Wildlife Resources (DWR)  
Salt Lake City, Price and Cedar City, Utah

Dr. James E. Nelson  
Brigham Young University  
Provo, UT

Dr. Patrick D. Collins  
Mt. Nebo Scientific Research & Consulting  
Springville, UT

Talon Resources, Inc  
Huntington, UT

Erik Petersen, P.G.  
Petersen Hydrologic, LLC  
Lehi, UT

C. Burton Pugh  
Lindon, UT

John T. Boyd Company  
James Boyd  
Mining & Geological Consulting  
Canonsburg, PA

Richard Dame  
Boulder City, NV

John T. Boyd Company  
Rich Bate  
Mining & Geological Consulting  
Denver, CO

University of Miami  
Miami, FL

Keith Montgomery  
Montgomery Archaeological  
Moab, UT

Geochron Laboratories  
Cambridge, MA

Dr. Stephen Petersen  
Philomath, OR

Energy Labs  
Billings, MT

Larry Hayden-Wing  
Hayden-Wing Associates, LLC  
Laramie, WY

Taylor Geo-Engineering  
Alan O. Taylor  
Lehi, UT

Mark Page  
Water Rights Consultant  
Price, UT

Long Resource Consultants  
Robert E. Long  
Morgan, UT

D.A. Smith Drilling  
Loma, CO

JBR Environmental, Inc.  
Dawn Whaley  
Sandy, UT

Kane County  
76 North Main  
Kanab, UT

Bruce Chesler  
Escalante, UT

Heaton Livestock  
PO Box 100773  
Alton, UT

A.H. Hamblin  
Paleontological Consulting  
Cedar City, UT

Patricia Stavish  
Montgomery Archeological  
Moab, UT

Mike Shurtz, C.E.T  
AGEC  
Cedar City, UT

Byron Caton  
SGS North America, Inc  
Denver, CO

## **140     DRAWING AND PLANS**

The Drawing and plans in the Mining and Reclamation Plan are submitted consistent with the requirement of R645-301-140.

## **150     COMPLETENESS**

Alton Coal Development, LLC represents that the information contained in the Coal Hollow Mining and Reclamation Plan permit application to be complete and correct.